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Japan's Liberal Democratic Party Factions

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A Research Paper

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A Research Paper

This paper was prepared by [redacted] Office
of East Asian Analysis. Comments and queries are
welcome and may be directed to the Chief,
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**Japan's Liberal Democratic
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Summary

*Information available
as of 4 March 1983
was used in this report.*

Since 1972 six different prime ministers have led Japan, compared with only three during the previous 15 years. The turnover in recent years has been caused primarily by the factional infighting that has persisted since Kakuei Tanaka defeated Takeo Fukuda—an older and more senior contender—in the party's presidential election of 1972. The election of Yasuhiro Nakasone last fall did nothing to resolve this conflict. Indeed, Tanaka's support was instrumental in Nakasone's victory, which was bitterly opposed by Fukuda.

This year promises even more intense factional maneuvering in the decade-long conflict. The major event is likely to occur in October or November, when a verdict is reached in the trial of former Prime Minister Tanaka for involvement in the Lockheed scandal of 1976. If found guilty—as is widely anticipated—Tanaka will be under intense pressure to retire from active politics immediately, even though the judicial appeals process could last years.

Fukuda, at 77, has virtually no hope of regaining party leadership. Former Prime Minister Nobusuke Kishi, whose faction Fukuda inherited, is pressing Fukuda to step aside in favor of Kishi's son-in-law, Foreign Minister Shintaro Abe. The death of the leader of a minor faction earlier this year and uncertainty about a successor to former Prime Minister Suzuki as head of the party's second-largest faction will further complicate factional politics.

We, and virtually all other political observers, believe that factions will continue to dominate the Liberal Democratic Party. How well the factions work together and how they are aligned on key issues will influence Japanese policy toward Washington because the LDP is playing a more forceful and direct role in the US-Japan relationship. An expanded role for the Nakasone faction in the mainstream alliance, for example, would move Japan closer to the United States on defense issues.

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Japan's Liberal Democratic Party Factions

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The Japanese media have long criticized factions of the Liberal Democratic Party (LDP) for their corrupt "money" politics and their undemocratic methods of selecting a party president. Nonetheless, the factions are well rooted in Japanese political tradition and are an important reason why the LDP has ruled continuously since its inception in 1955.

Indeed, the real contest for political power takes place within the LDP, not between the LDP and other parties. If the incumbent party leader or his policies become a political liability, the leader of another faction is selected; usually one or more are different enough in style and approach from the incumbent to be welcomed by the public as a fresh alternative. (Faction leaders are often called *daiymo*—a reference to the feudal lords during the Tokugawa period.) During national elections, factions compete with each other as well as with opposition parties. As long as factional competition remains within the bounds of electoral arithmetic, it adds an element of dynamism, and thus electoral strength, to the party.

Another reason why factions are vital to the LDP is the considerable expense required to run an election campaign. The main supplier of political funds has been the LDP, which through its organizations raised \$55 million for LDP candidates in 1980, according to official records.

This is not, however, enough money to support all LDP-endorsed candidates adequately, and few can collect enough on their own to make up the difference between what the party provides and what is required. As a result, an aspiring candidate for a Diet seat usually finds it necessary to approach one of the faction leaders for supplementary campaign funds. In return for campaign contributions, the candidate pledges to work with the faction if elected. In fact, one of the principal prerequisites for becoming a faction leader is the ability to raise political funds.

The factions have also become almost the only road to increasingly influential Cabinet and party offices. When a prime minister is forming his Cabinet, each faction lobbies for its candidates. The eventual composition of the Cabinet reflects to some extent the relative strength of each faction, but many of the key portfolios—foreign affairs, finance, trade, and the cabinet secretary—are distributed to the factions closely linked with the Prime Minister (see table 1).

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The Current Lineup

The LDP is currently made up of six factions—Tanaka, Suzuki, Nakasone, Fukuda, Komoto, and Nakagawa—and a group of nonaligned members. All are named after the faction leader. And, with the exception of the Nakagawa faction, all have histories of supplying prime ministers, cabinet ministers, and party leaders (see chart). The current Suzuki faction, for example, traces its history from the late Prime Minister Ikeda (1960-64) through Ohira (1979-80) to Suzuki (1980-82). Four of the current faction leaders—Tanaka, Fukuda, Suzuki, and Nakasone—are or have been prime ministers. Nakagawa and Komoto were prime-ministerial candidates in 1982.

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As in the past, the choice in 1982 for party president—and thereby prime minister because of the party's majority in the Diet—reflected the balance of factional alliances. Prime Minister Nakasone had the support of his own group and that of former Prime Ministers Suzuki and Tanaka. Together, this alliance—termed the mainstream—accounts for nearly 60 percent of LDP Diet members.¹

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¹ Alliances between factions are described as "mainstream" and "antimainstream." The classic mainstream factions are those that traditionally have been at or near the center of power—the Tanaka, Suzuki, and Fukuda factions. In a more tactical sense, the mainstream alliance is the governing coalition at any given moment. The latter definition is used in this report.

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Table 1
Japan: Distribution of Key Cabinet and LDP
Posts Among Factions in the Nakasone Government

Faction	Size	Number of Posts	Title
Mainstream			
Tanaka	110	7	Chief Cabinet Secretary Finance Ministry Health and Welfare Ministry Construction Ministry Home Affairs Ministry Environment Agency LDP Secretary General
Suzuki	87	5	Agriculture Ministry Administrative Management Agency Science and Technology Agency Chairman, LDP Policy Affairs Research Council
Nakasone	50	2	Ministry of International Trade and Industry Post and Telecommunications Ministry
Antimainstream			
Fukuda	79	4	Foreign Ministry Education Ministry Hokkaido Development Agency Chairman, LDP Executive Council
Komoto	42	2	Japan Defense Agency Okinawa Development Agency
Nakagawa	13	1	Transportation Ministry
Independents	38	2	Labor Ministry Justice Ministry

The "antimainstream" is lead by former Prime Minister Fukuda and includes the Komoto and Nakagawa factions. The antimainstream can count on about 30 percent of the votes in a party caucus, not enough at this point to challenge seriously any mainstream candidate.

The Political Issues

The LDP factions disagree little on important political issues:

- All of the leaders support a strong US-Japan relationship.
- All have links to big and small business and rural voters; these blocs represent the party's source of funds and votes, respectively.

What differences they do have on issues are mainly small and usually reflect different priorities or choices of policies, not goals:

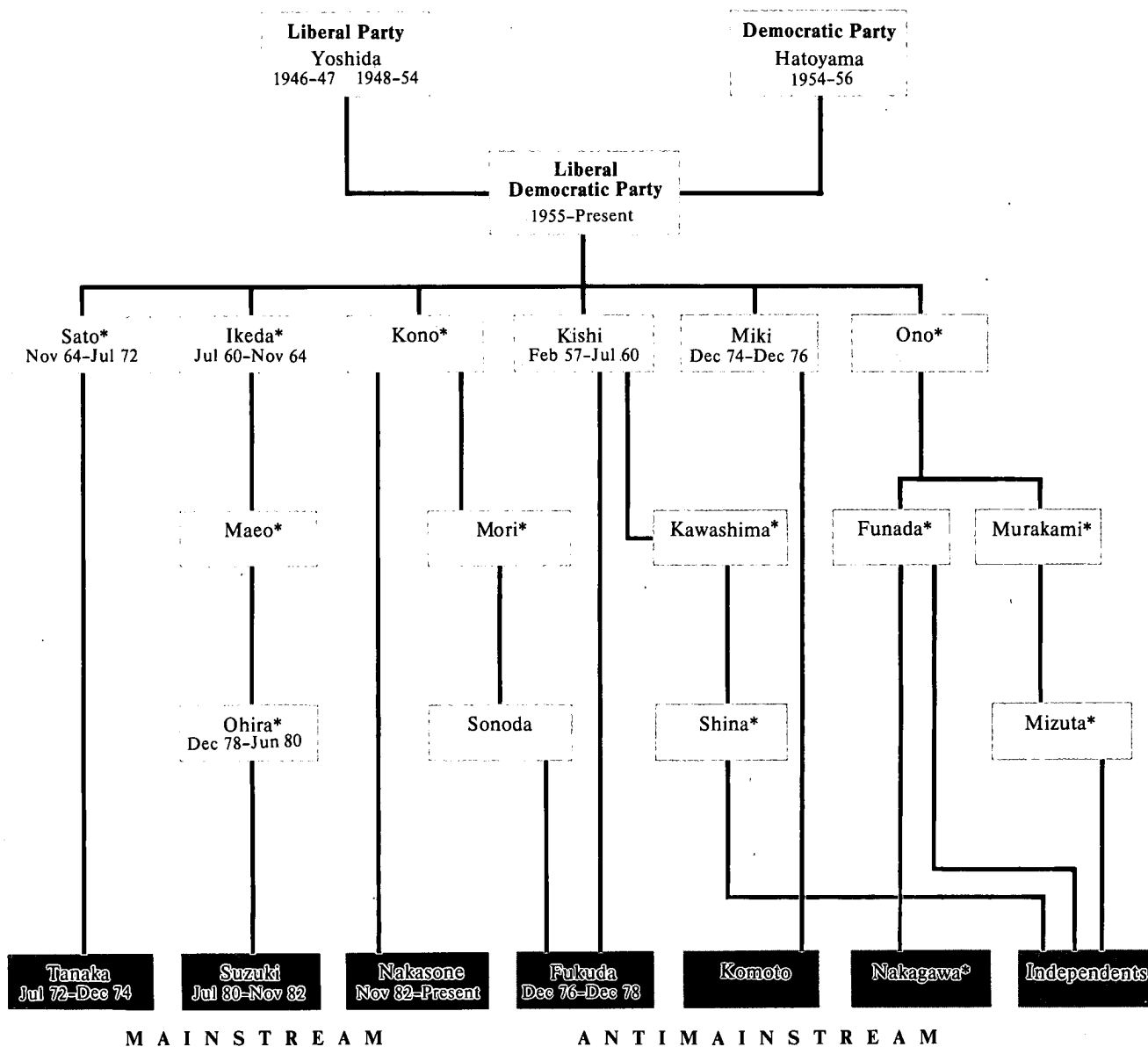
- All the factions support Tokyo's efforts to spur industrial development and high technology, although Komoto and Fukuda favor somewhat higher government spending.
- Nakasone and Fukuda are more hawkish on defense issues; Komoto's faction is probably the most dovish.

Nonetheless, the factions are finding it more and more difficult to agree on major policies or to pick an LDP president. In 1980, for example, Fukuda took his faction off the Diet floor before a vote of no confidence by opposition parties. Without Fukuda's support, the LDP lost the vote, and Prime Minister Ohira was forced to dissolve the government and call elections. In 1982 the LDP had to hold a party primary for party president because the antimainstream would not support the mainstream candidate, Nakasone.

These two recent events clearly indicate the party is being subjected to far more than the usual factional contest for power. Party infighting, of course, is not new; the late Prime Minister Ohira once described the LDP as oil and water that would not mix. We believe a major factor since the early 1970s has been the enduring enmity between former Prime Ministers Fukuda and Tanaka, which has added an element of continuing tension to normal faction politics. Fukuda is on record as saying his goal is to break Tanaka's

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The LDP Factions: 1955-83



* -Deceased
 Dates -Term served as Prime Minister

grip on the party. Tanaka and some other party leaders blame Fukuda for the fall of the Ohira government in 1980. The feud has also distorted the factional system because both men have refused to relinquish control of their factions, even though it is traditional to do so after stepping down as prime minister. [redacted]

Tanaka Faction

With 110 members, the Tanaka faction is the largest in the LDP, accounting for about a fourth of the party's strength in the Diet. Its influence is even greater. It is unlikely that a prime minister could remain in office without Tanaka's support or that major decisions could be made without his faction's participation. The future of the faction is uncertain, however, because of Tanaka's involvement in the Lockheed scandal. [redacted]

Influence and Power. Kakuei Tanaka has headed his faction since 1972 when he took over former Prime Minister Sato's group. A charismatic politician who was widely regarded as a "people's prime minister" when he headed the government during 1972-74, Tanaka continues to have popular appeal and to attract considerable media attention. He is the subject of about 20 books and over half of the items on politicians published in the Japanese press. This coverage both demonstrates his continued influence and helps to perpetuate it. [redacted]

But Tanaka's dynamism only partly explains his faction's influence in the LDP:

- Tanaka's principal lieutenants (Takeshita, Nikaido, Gotoda, Esaki, and Ozawa) are skilled politicians who have strong ties within the LDP and to the bureaucracy and some opposition parties.
- One-third of the faction members have held cabinet rank, and political observers consider five of them to be potential prime ministers.
- Tanaka's most trusted lieutenant, Nikaido, holds the second most powerful post in the party—secretary general, who plays a key role in distributing election campaign funds and determining which politicians receive LDP endorsement.



Kakuei Tanaka [redacted]

Liaison ©

- Gotoda, Tanaka's longtime confidant and a superb conciliator within the party, holds the sensitive post of chief Cabinet secretary.²
- Another Tanaka faction member, Takeshita, heads the powerful Finance Ministry. [redacted]

The influence of the Tanaka faction extends into Japanese foreign policy. According to the press, the Tanaka faction was instrumental in ensuring the success of Nakasone's bold initiative to improve relations with South Korea and settle the bilateral aid dispute. Prime Minister Nakasone recently sent Nikaido to China as his envoy. In addition, Esaki has chaired the special LDP Committee on Trade Relations under both Suzuki and Nakasone. Various Tanaka lieutenants are playing important roles as chairmen of other government and party consultative meetings on the US-Japan trade issue. [redacted]

Information and Money. Tanaka controls the most effective network of local and national politicians, businessmen, and bureaucrats in the LDP. This gives

² The chief Cabinet secretary is the Prime Minister's chief of staff, his confidential emissary to government ministries and opposition parties, and his spokesman to the press. [redacted]

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Table 2
Japan: Leaders and Key Members of the LDP Factions

Faction Leader	Age	Key Members
Tanaka Faction		
Kakuei Tanaka	64	Masaharu Gotoda Tatsuo Ozawa Susumu Nikaido Noboru Takeshita Ganri Tamashita Masumi Esaki
Suzuki Faction		
Zenko Suzuki	71	Rokusuke Tanaka
Kiichi Miyazawa (Acting Chairman)	63	Kunikichi Saito Heiji Ogawa Ito Masahari
Nakasone Faction		
Yasuhiro Nakasone	64	Takao Fujinami
Yoshio Sakurauchi (Acting Chairman)	70	Sosuke Uno Sadanori Yamanaka Tadashi Kuranari
Fukuda Faction		
Takeo Fukuda	77	Shintaro Abe Kichizo Hosoda Mitsuo Setoyama Tadao Kuraishi Mutsuki Kato
Komoto Faction		
Toshio Komoto	71	Takeo Miki (honorary chairman) Kinji Moriyama Hyosuke Niwa Naozo Shibuya Munenori Akagi
Nakagawa Faction ^a		
Shintaro Ishihara	50	Takashi Hasegawa Shiro Hasegawa

^a Ichiro Nakagawa, the leader of this faction, committed suicide in January 1983 at the age of 56. His faction retains his name but is now led by Ishihara.

him an advantage over other factions and the opposition parties when it comes to raising political funds, funneling public works spending into local projects, and spotting new talent—particularly during election campaigns. He also has a highly effective fundraising system; Takeshita and Nikaido are two of the LDP's

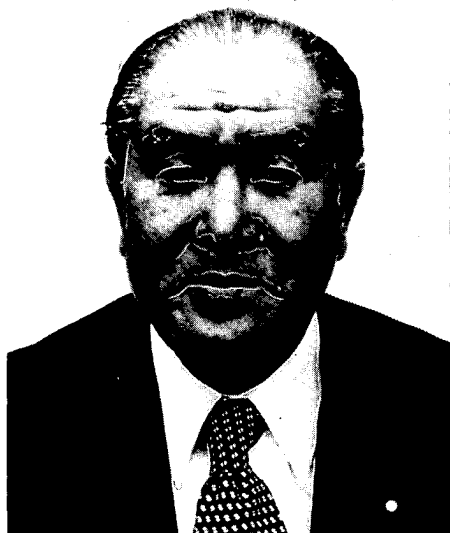
best fundraisers. In 1981 the faction's reported income was roughly \$3.5 million; several reliable observers, however, claim it may be four times that large.

Tanaka's personal political base is in his home prefecture of Niigata, where he controls a 90,000-member political club—the *Etsuzankai*. Some press reports suggest Tanaka's backing is declining in this powerful group, but financial contributions to the faction have not tapered off. A well-placed observer noted recently that Tanaka's war chest is much larger than that of his longtime rival, Fukuda.

Direct campaign aid is only a part of Tanaka's financial clout. He makes a point of recruiting former bureaucrats into his faction and using their expertise and ministerial connections to influence where government public works funds are spent and how government subsidies are allocated. Tanaka faction members usually hold the construction or transportation portfolios in the Cabinet. According to a close associate of Esaki, key bureaucrats in several other ministries, including International Trade and Agriculture, take guidance from Tanaka.

Clouds on the Horizon. Tanaka has been on trial since 1977 for taking bribes from the Lockheed Corporation while Prime Minister. In late January the prosecutor delivered his summation, requesting a sentence of five years in prison and a fine of \$2 million. Most observers expect the court to deliver a guilty verdict this fall. Although Tanaka is certain to initiate a series of appeals, the public outcry and likely political pressure for Tanaka to retire from politics could cause the faction considerable trouble.

There have already been signs that Tanaka's influence in his home constituency is eroding; an official supported by Tanaka lost a local election in late 1982. Tanaka and his faction, however, have been remarkably resilient, and in fact the faction has expanded during the six years the Lockheed trial has been in



Zenko Suzuki



Kiichi Miyazawa

Camera Press ©

progress. Tanaka himself apparently is not overly concerned about the possible repercussions of the trial. According to the press he is in good spirits and hopes to be "politically active for another 10 years." Some political observers in Tokyo predict that Tanaka will try to minimize the impact of a guilty verdict by resigning gracefully and establishing "a government-in-exile" until he can be reelected, just as he did in 1975. We believe most of his faction members and his supporters in his home district will remain unified behind him in the face of outside criticism—at least until the verdict is handed down.

Future Leaders. Under a guilty verdict, however, the faction could begin to disintegrate. Younger members are becoming increasingly concerned about their association with Tanaka. They recognize his influence and want his backing, but they are afraid public association with a faction bearing his name could hurt them at the polls and hope for a change in leadership.

Takeshita may be unwilling to wait. According to press reports, Takeshita has directed the faction to set up individual accounts for each political fundraiser.

We believe he wants to draw a clear line between his war chest and that of other members in case the faction does split. Even if the faction dissolves, we believe Tanaka will remain influential for some time to come, wielding power from behind the scenes. His supporters also probably will continue to be an important factor in the mainstream.

Suzuki Faction

The 87-member Suzuki faction is the second largest in the LDP. It was established by the late Prime Minister Ikeda and has continued under the leadership of Ohira and Suzuki. Although Suzuki retains nominal control, he appointed Kiichi Miyazawa acting chairman in December 1982.

The Miyazawa Factor. When Suzuki assumed control of the faction—and the prime-ministership as well—in mid-1980, after the sudden death of Ohira, he was well known in the party as an organizer and mediator. But he had held none of the government and party posts that traditionally pave the way to the top and had had little international exposure. His performance as prime minister was lackluster, and last fall mounting economic problems and criticism from the antimainstream factions contributed to his decision not to run for reelection.

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Suzuki has withdrawn from direct management of the faction and has been grooming Miyazawa as his successor and as prime minister. According to the Japanese press, Miyazawa has the support of the faction's senior members responsible for policy, known as the group of seven, and his main rival in the faction, Rokusuke Tanaka, is in poor health. In addition, Miyazawa and Suzuki have close ties by marriage, and Suzuki values Miyazawa's understanding of policy issues and his experience in international affairs. [REDACTED]

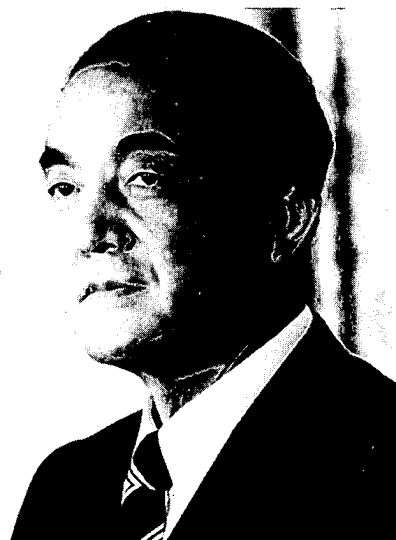
Miyazawa's appointment as acting chairman has strengthened his legitimacy as a candidate for prime minister. Even though he was senior Cabinet secretary in the Suzuki government, he has never held a senior party post and is inexperienced in intraparty maneuvering. The Japanese press describes him as a bureaucratic elitist who lacks the interpersonal skills to hold a faction together. Now he will have a chance to work to increase the faction's role in formulating LDP policy. To prove himself an effective leader he must develop these skills and also show he can provide financial support to his followers.³ [REDACTED]

The Tanaka Connection. The faction's longstanding ties to Tanaka are beginning to cause some strains as it becomes apparent that Tanaka will probably be found guilty in the Lockheed trial. [REDACTED]

Nakasone Faction

The 50-member Nakasone faction is the smallest in the LDP mainstream. It projects an image of youth

³ In 1981 Miyazawa personally collected nearly \$1 million in political funds, but Rokusuke Tanaka outpaced him with more than \$1 million. [REDACTED]



Prime Minister Nakasone [REDACTED] Sygma ©

and vitality, even though many members are in their sixties and seventies. Moreover, it is very well financed and will be trying to increase its size in upcoming national elections. [REDACTED]

The President's Faction. Because Nakasone must focus on government activity, he turned over the day-to-day leadership of the faction to Yoshio Sakurauchi, a widely respected senior faction leader and a former Foreign Minister. Sakurauchi is faced with the task of raising the faction's morale, which is low because Nakasone appears to have ignored his own faction when he formed his Cabinet in November 1982. The Tanaka faction was given five portfolios, plus the key position of chief Cabinet secretary. The Nakasone faction holds only two. [REDACTED]

Nonetheless, Nakasone has appointed his men as deputies to key Cabinet ministers and top LDP officials, helping to establish an effective Tanaka-Nakasone team. In addition, many ranking Nakasone faction members are influential and active in formulating various LDP policies, particularly in defense and agriculture. [REDACTED]



Yoshio Sakurachi [redacted] Camera Press ©

These appointments, along with Nakasone's explanation that he had to cooperate with Tanaka, have somewhat appeased his supporters. Even so, some in the faction are trying to decrease their dependence on Tanaka's support, according to Japanese media sources. The young leaders in particular are now calling for the faction to increase by 20 members in the next lower house elections. We believe they have a chance of succeeding but Nakasone will have to move cautiously. As party president he risks losing support in the LDP if he gains too much strength at the expense of other LDP factions or incumbents. [redacted]

Political Funds. The faction has the money to expand. According to public records, in 1981 the Nakasone faction collected more money than any other faction—almost \$6 million. A list of Nakasone's business backers reads like an industrial "Who's Who." It includes Mitsui, Mitsubishi, Sumitomo, Nippon Electric Corporation, and Kajima Construction. Nakasone has had close ties to Mitsui-related businesses for almost 25 years. [redacted]

Defense-related industries have always been a major source of Nakasone's funds as a result of his strong support for a military buildup. When opinion polls showed him as the likely winner during the 1982 LDP

presidential campaign, defense industry stocks skyrocketed. In addition, the presidents of Kansai Federation of Economic Organizations (*Kankeiren*), the Japan Federation of Economic Organizations (*Keidanren*), and the Japan Chamber of Commerce and Industry are Nakasone supporters. [redacted]

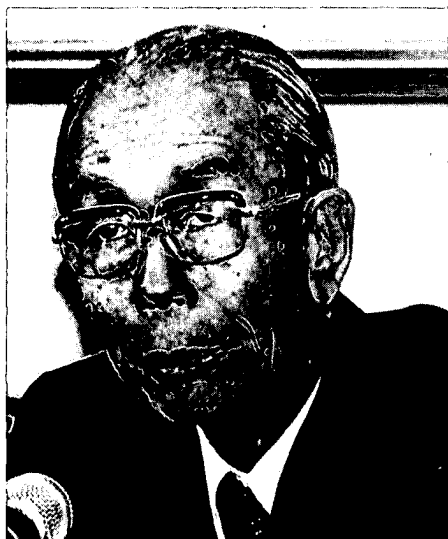
The stock market is yet another source of political funds. According to the press, in 1977 Nakasone purchased stock at a special low price from a good friend and shortly thereafter sold it at market prices for a \$2 million profit. In Japan deals such as this are not uncommon. Media and other sources report that many LDP members make big profits by purchasing stocks—under special arrangement with the seller—before the equities are offered to the public. One influential LDP member has commented that money contributed by business and industry is minuscule compared with cash made through stock market manipulation [redacted]

Fukuda Faction

The faction led by former Prime Minister Fukuda is the third largest in the LDP, with 78 members. It is the major force within the antimainstream camp. Fukuda's most recent attempt to unseat the mainstream during the 1982 presidential election ended in failure, however. As a result, [redacted] some of Fukuda's own faction members have questioned his leadership [redacted]

Influence. Fukuda inherited his faction in 1960 from former Prime Minister Kishi, Japan's foremost rightist ideologue. As a former Finance Ministry bureaucrat, Fukuda has had considerable influence over LDP economic policy. In addition, the faction traditionally has had a strong voice in educational matters. Since the mid-1970s the chairmen of the LDP Textbook Committee and the Education Committee have been in the Fukuda camp. [redacted]

Like Nakasone, Fukuda and many in his faction believe that Japan must improve its defense capabilities and that the "peace" constitution should be revised. Fukuda is discreet about expressing these



Takeo Fukuda

Liaison ©



Shintaro Abe

Camera Press ©

views publicly, however. In the diplomatic arena, the Fukuda faction has traditionally dominated the conduct of relations with Taiwan and South Korea. Nakasone bypassed the faction, however, when he moved quickly to solve the aid dispute with Korea early in his administration.

Political Funds. Fukuda and his heir apparent, Shintaro Abe, are effective political fundraisers. Their main source of financial support is the business community, particularly the financial sector. They also receive backing from religious groups, and Abe has ties to commodity exchange industries. According to press reports, he was the central figure in promoting the opening of Japan's first official gold exchange market and was involved in shady gold transactions. Despite the skill of these two fundraisers, the reported contributions to the faction dropped in 1981, perhaps reflecting the faction's position in the antimainstream. The group's bank account probably was also hurt last year by Abe's unsuccessful campaign for the party presidency.

The Fukuda Faction Versus the Mainstream.

Fukuda's conduct during the 1982 LDP presidential primary and his failure to elect an antimainstream candidate has eroded his influence as a party leader:

- Fukuda's determination to wrest power from the mainstream—and from Tanaka in particular—forced a party primary. Fukuda's tenacious pursuit of his goal, at the risk of splitting the party, has tarnished his image as a responsible leader of the antimainstream.
- Fukuda had promised Komoto that the antimainstream would support his candidacy for president of the LDP. Fukuda subsequently nominated Abe.
- Ten members of the Fukuda faction hold dual membership in the Nakagawa faction. Early last fall Fukuda implied he would allow these 10 to transfer to the small Nakagawa faction. The increased numbers would have helped the faction support Nakagawa's campaign for president of the LDP. Fukuda changed his mind, alienating another antimainstream faction.

Fukuda's Successor. Fukuda is also facing a struggle in his own faction over future leadership. Fukuda's last-minute support of Abe during the LDP primary angered younger faction members and even some

older ones. According to the press, the faction is now divided into pro-Fukuda and pro-Abe groups. The pro-Abe group is demanding that Fukuda hand over control of the faction to Abe or at least that the group be called the Fukuda-Abe faction. The pro-Fukuda group insists that it could not work under Abe. [redacted]

Abe's defeat in the primary—though expected—allowed Fukuda and other senior leaders to point out that the Foreign Minister needs several more years of grooming. Political observers recently rated Abe as the weakest among the next generation of leaders, despite his ability as a fundraiser. Nonetheless we believe Abe will eventually assume leadership of the Fukuda faction, if only because there is no other clear challenger. [redacted]

Komoto Faction

The Komoto faction was under the control of former Prime Minister Miki until 1977. Miki had been known for his liberal and dovish views; Komoto, a former president of Sanko Steamship Company, tends to reflect the views of big business. A financial expert, he believes, according to the media, the Japanese economy still has growth potential and strongly advocates domestic stimulative measures. Komoto also believes Japan should fulfill its global responsibilities through increased foreign aid rather than increased defense expenditures. [redacted]

Financial Strength. When Miki was faction leader, he had limited sources of financial support in the business community. Komoto has more than made up for that shortfall. In 1981 Komoto collected about \$4 million, which was far more than the totals Suzuki and Tanaka reported. His financial supporters include the shipping industry, prominent Osaka-Kobe industrialists, and fellow Nippon University graduates who are in big business. [redacted]

According to the press, leaders of the mainstream factions view Komoto's fundraising ability as a threat. He is the faction's only fundraiser, however, and this casts doubt on the future of the group. Komoto's principal lieutenants, Niwa and Shibuya, are seasoned LDP Dietmen, well versed in interfactional battles but with limited fundraising ability [redacted]



Toshio Komoto [redacted]

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The 1982 Election Defeat. Before the LDP presidential primary last fall, it was widely believed that Komoto had the largest number of rank-and-file supporters in the party. [redacted]

Nakasone defeated him by a wide margin, however, mainly because of the support Nakasone received from the powerful Tanaka and Suzuki factions, but also because Komoto's faction failed to develop its grass-roots support. Despite earlier promises of support from Fukuda, Komoto ultimately had to rely on only his own faction. [redacted]

His poor showing has caused many in his faction to question his leadership. Although his business ties and fundraising ability will make his followers think twice before leaving the faction, most observers of the Japanese political scene believe his influence within the antimainstream has declined. [redacted]

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Nakagawa Faction

With only 13 members, the Nakagawa faction is the smallest in the LDP, but it had been one of the most vocal and nationalistic. From the moment the faction was formed in 1979, it played an active role in bringing discussion of constitutional reform into the open in LDP forums and has also called for improving the Self Defense Forces. Nakagawa was the first faction leader to challenge Prime Minister Suzuki last fall, and he was potentially the most outspoken critic of the Nakasone government. His suicide in January crippled the faction, however, and its survival is questionable. [REDACTED]

Political Funds. Shintaro Ishihara, a popular author, has assumed control of the Nakagawa faction, and, with the help of veteran politicians Shiro Hasegawa and Takashi Hasegawa, will try to keep it afloat. His success will depend largely on his skill as a fundraiser. According to the press, Nakagawa spent nearly \$1.5 million in the 1982 presidential primary, draining the faction's bank account. And with local and upper house elections coming up, the faction will need additional funds. Nakagawa's main sources were the fishing industries—particularly Mitsubishi—and small and medium-size enterprises. He received their support because of personal ties built up over many years. Ishihara and his lieutenants must try to maintain the existing Nakagawa pipeline and also develop new sources of funds. [REDACTED]

Uncertain Factional Ties. Although the Nakagawa faction is still considered part of the antimainstream, its position is not firm. Toward the end of the 1982 LDP primary election, Nakagawa began to pull away from the alliance. He avoided meeting with the other two antimainstream candidates and announced he would cast his ballot for Nakasone in the final vote at the LDP convention if the antimainstream candidates were defeated in the primary. [REDACTED]

Nakagawa's supporters could turn to the mainstream. Ishihara is personally close to Nakasone. The Prime Minister hopes to increase the strength of the mainstream and as a result has been courting the Nakagawa faction. He awarded a Cabinet post to one of Nakagawa's followers, indicating that he recognized the small group as a legitimate faction that



Shintaro Ishihara [REDACTED]

Franz Furst ©

should be represented in the Cabinet. Previously, Nakagawa had been the only member of his faction to hold a Cabinet portfolio. [REDACTED]

The Independents

The nonaligned LDP Dietmen have held an important place in party politics, frequently playing an instrumental role in settling factional disputes and broader political differences. Their position is less prominent now than it was 10 years ago, however, and the Japanese press claims that morale is low. [REDACTED]

The Good Years. The neutralists enjoyed considerable influence during the 1970s. In 1971 one-third of all Dietmen were unaffiliated members of the LDP, loosely organized into study groups. The members of one group, run by Asao Mihara and Seisuke Okuno, often invited incumbent prime ministers to meetings where the independents presented their opinions and recommended policy. Because the independents could serve as a swing vote, a prime minister could not afford to ignore their views. One who did—Takeo Miki—lost his post in 1976 when neutralists cast the deciding votes that toppled his government. [REDACTED]

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Sources of Funding. In addition to the funds the party provides every member, senior independent Dietmen raised an average of \$6,000 in political contributions. Many use fundraising parties, but some can also count on backing from businessmen in the Osaka-Kobe area.

Despite these sources of funds, the neutralists traditionally have had difficulty getting financial backing. This has been a major reason why they have lost influence in recent years. Most factions have been able to improve political fund collection, sometimes cutting into the neutralists' source of support. As a result, many nonaffiliated members have been forced to turn to one of the six factions for backing and have been absorbed into the groups. Independents now represent only 9 percent of LDP Diet members.

Tanaka's financial support of many independents has also limited their political latitude. The media reported last year, for example, that at Tanaka's instruction many neutralists held down their criticism of the Suzuki government. Since the late 1970s, successive prime ministers have appointed a neutralist as Justice Minister—ostensibly to keep politics out of the Ministry. Each has been pro-Tanaka, and it is widely speculated in Japan they were appointed to keep the Lockheed scandal investigation from getting out of hand.

The factional maneuvering that accompanied the LDP presidential election last year also affected the fortunes of the neutralists. The rivalry between the mainstream and antimainstream factions was intense; both groups put pressure on the neutralists to choose sides. A majority of the most influential independents, including Asao Mihara, Hirokichi Nadao, Zentaro Kosaka, and I-Ichiro Hatoyama backed the antimainstream candidates, mainly to protest what they believed were Tanaka's attempts to dictate the choice of the next prime minister.

Another unaffiliated LDP Dietman, lower house President Hajime Fukuda, sided with the mainstream. According to press reports, he and six of his followers are likely to join the Tanaka faction after upper house elections in June. Tanaka probably promised them generous political funds. Most of them have held Cabinet and LDP posts and may believe their chances of holding even more prestigious Cabinet or party posts would be greater as members of the Tanaka faction. As a result, it seems likely that the influence of the neutralist camp will decline even further. Even former Foreign Minister Hatoyama, who sided with the antimainstream last year, decided recently to join a pro-Nakasone study group—*Kinyo-kai*—led by former Foreign Minister Sakurauchi.

Outlook

We, and virtually all other political observers, believe factions will continue to dominate the LDP. For one reason, campaigns are getting more expensive and politicians with proven fundraising ability will find it easier to attract supporters.

How well these factions work together will influence Japanese policy toward Washington, because the LDP is playing a more forceful and direct role in the US-Japan relationship. The LDP committee on trade, chaired by Esaki from the Tanaka faction, for example, has been instrumental in pushing the Japanese bureaucracy to do more to lower some Japanese import barriers. On the other hand, LDP leaders such as Kato (Suzuki faction) and Yamanaka (Nakasone faction) have led the battle against liberalizing agricultural import quotas, reflecting the farm lobby's strong voice in the party.

We expect the LDP will continue to expand its role. From the US point of view, whether that role is positive or negative will depend in part on how the factions align themselves on key issues. An expanded role for the Nakasone faction in the mainstream alliance, for example, suggests that Japan would edge closer to the United States on defense issues.

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